



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5855

by Rep. Karen May

SYNOPSIS AS INTRODUCED:

New Act

Creates the Illinois Renewable Energy Sources Act. Contains provisions concerning the requirement that an electric utility connect an eligible electric generator to the utility's distribution systems between 30 and 60 days after a request by the eligible electric generator. Provides that the Illinois Commerce Commission shall establish standards for the interconnection of eligible electric generators with the distribution systems of electric utilities. Provides that electric utilities shall enter into power purchase agreements for a term of not less than 20 years to purchase all electricity from eligible electric generators in the State at specified rates set by the Commission for the following methods of generation: (1) hydroelectric power; (2) landfill gas or sewage treatment gas; (3) biomass or biogas; (4) geothermal energy plants; (5) wind-powered plants; and (6) solar-powered plants. Provides that the Commission shall, after notice and hearing, annually approve a renewable energy factor that shall be a nonbypassable surcharge payable by every customer of an alternative electric supplier, cooperative electric utility, electric utility, or municipal utility. Provides that the Commission shall approve a standard contract to be used in all power purchase agreements under the Act. Provides that the Commission shall review the specified rates every 2 years and adjust those rates as necessary to account for specified factors. Provides that in each of the first 2 years and every 4 years thereafter, the Commission shall file a report with the Governor and General Assembly that shall include specified requirements. Provides that eligible electric generators shall, upon request, provide to the Commission any information that may be relevant to the Commission performing its duties under the Act. Effective immediately.

LRB095 17917 MJR 43998 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Illinois Renewable Energy Sources Act.

6 Section 5. Purpose. The purpose of this Act is to:

7 (1) Enable the rapid and sustainable development of
8 Illinois' abundant renewable energy resources for the clean
9 generation of electricity.

10 (2) Protect Illinois' atmosphere from air pollution.

11 (3) Protect Illinois' climate from global warming.

12 (4) Protect Illinois' natural resources.

13 (5) Allow all citizens to participate in renewable
14 electricity generation.

15 (6) Reduce the volatility of future electricity prices.

16 (7) Reduce the long-term costs of electricity.

17 (8) Place Illinois at the forefront of North America's
18 renewable energy revolution.

19 (9) Stimulate the development of new jobs, technologies,
20 and industry in Illinois.

21 (10) Create an Illinois marketplace for the development of
22 renewable energy.

1 Section 10. Definitions. For purposes of this Act:

2 "Average specific yield" means the average production in
3 kilowatt hours for the first 5 years of production of a
4 wind-powered plant, less the maximum and minimum years of
5 production, divided by the rotor-swept area in square meters.

6 "Biofuel" means a fuel that is composed of a gas or liquid
7 that is made entirely from biomass.

8 "Biomass" means organic waste or dedicated crops grown for
9 energy production.

10 "Capacity" means the electrical capacity that an eligible
11 electric generator may produce during regular operations, not
12 including standby capacity.

13 "Commission" means the Illinois Commerce Commission.

14 "Electric utility" has the same meaning as that term is
15 defined in Section 16-102 of the Public Utilities Act.

16 "Eligible electric generator" means a system for the
17 generation of electricity that is fueled by a renewable fuel in
18 this State.

19 "Reasonable profit" means a profit of not less than 10% but
20 not more than 30%.

21 "Renewable fuel" means solar, hydroelectric, wind,
22 geothermal, landfill gas, sewage treatment gas, biofuel, or
23 biomass.

24 "Small wind turbine" means any wind turbine with a rotor
25 blade swept area of no more than 2,000 square feet.

1 Section 15. Renewable energy standards; Commission review.

2 (a) An electric utility shall connect an eligible electric
3 generator to the utility's distribution systems between 30 and
4 60 days after a request by the eligible electric generator. An
5 electric utility that refuses to connect an eligible electric
6 generator to the utility's distribution systems is subject to
7 fines of not more than \$100 per day that the electric utility
8 is in violation of this Section.

9 (b) The Commission shall establish standards for the
10 interconnection of eligible electric generators with the
11 distribution systems of electric utilities. The standards
12 shall be consistent with generally accepted industry practices
13 and guidelines and shall be established to ensure the
14 reliability of electric service and the safety of customers,
15 utility employees, and the general public. The costs associated
16 with the interconnection of eligible electric generators shall
17 be included in the surcharge under subsection (d) of this
18 Section.

19 (c) Electric utilities shall enter into power purchase
20 agreements for a term of not less than 20 years to purchase all
21 electricity from eligible electric generators in this State at
22 the following rates set by the Commission:

23 (1) For electricity generated by hydroelectric power,
24 the rate needed for development plus a reasonable profit,
25 but no less than the following:

26 (A) \$0.10 per kilowatt hour for projects with a

1 capacity under 500 kilowatts.

2 (B) \$0.085 per kilowatt hour for projects with a
3 capacity of 500 kilowatts to 10 megawatts.

4 (C) \$0.065 per kilowatt hour for projects with a
5 capacity greater than 10 megawatts to 20 megawatts.

6 (2) For electricity generated by landfill gas or sewage
7 treatment gas, the rate needed for development plus a
8 reasonable profit, but no less than the following:

9 (A) \$0.10 per kilowatt hour for projects with a
10 capacity under 500 kilowatts.

11 (B) \$0.085 per kilowatt hour for projects with a
12 capacity equal to or greater than 500 kilowatts.

13 (3) For electricity generated by biomass and biogas,
14 the rate needed for development plus a reasonable profit,
15 but no less than the following:

16 (A) \$0.145 per kilowatt hour for projects with a
17 capacity less than 150 kilowatts.

18 (B) \$0.125 per kilowatt hour for projects with a
19 capacity of 150 kilowatts to 500 kilowatts.

20 (C) \$0.115 per kilowatt hour for projects with a
21 capacity greater than 500 kilowatts to 5 megawatts.

22 (D) \$0.105 per kilowatt hour for projects with a
23 capacity greater than 5 megawatts to 20 megawatts.

24 (4) For electricity generated by geothermal energy
25 plants, the rate needed for development plus a reasonable
26 profit, but no less than the following:

1 (A) \$0.19 per kilowatt hour for projects with a
2 capacity less than 5 megawatts.

3 (B) \$0.18 per kilowatt hour for projects with a
4 capacity of 5 megawatts to 10 megawatts.

5 (C) \$0.115 per kilowatt hour for projects with a
6 capacity greater than 10 megawatts to 20 megawatts.

7 (D) \$0.09 per kilowatt hour for projects with a
8 capacity greater than 20 megawatts.

9 (5) For electricity generated by wind-powered plants,
10 the rate needed for development plus a reasonable profit,
11 but no less than the following:

12 (A) For years 1 through 5, \$0.105 per kilowatt
13 hour.

14 (B) For years 6 through 20, \$0.105 per kilowatt
15 hour for projects with an average specific yield less
16 than 700 kilowatt hours per square meter per year.

17 (C) For years 6 through 20, \$0.08 per kilowatt hour
18 for projects with an average specific yield greater
19 than 1,100 kilowatt hours per square meter per year.

20 (D) For years 6 through 20, for projects with an
21 average specific yield greater than 700 kilowatt hours
22 per square meter per year but less than 1,100 kilowatt
23 hours per square meter per year shall be paid a rate
24 that is a linear extrapolation between the rate at 700
25 kilowatt hours per square meter per year to 1,100
26 kilowatt hours per square meter per year.

1 (E) For small wind turbines, \$0.025 per kilowatt
2 hour.

3 (6) For electricity generated by solar-powered plants,
4 the rate needed for development plus a reasonable profit,
5 but no less than the following:

6 (A) \$0.50 per kilowatt hour for free standing or
7 open field projects.

8 (B) \$0.65 per kilowatt hour for rooftop projects
9 with a capacity less than 30 kilowatts.

10 (C) \$0.62 per kilowatt hour for rooftop projects
11 with a capacity of 30 kilowatts to 100 kilowatts.

12 (D) \$0.61 per kilowatt hour for rooftop projects
13 with a capacity greater than 100 kilowatts.

14 (E) \$0.71 per kilowatt hour for facade cladding
15 projects with a capacity under 30 kilowatts.

16 (F) \$0.68 per kilowatt hour for facade cladding
17 projects with a capacity of 30 kilowatts to 100
18 kilowatts.

19 (G) \$0.67 per kilowatt hour for facade cladding
20 projects with a capacity greater than 100 kilowatts.

21 (d) The Commission shall, after notice and hearing,
22 annually approve a renewable energy factor that shall be a
23 nonbypassable surcharge payable by every customer of an
24 alternative electric supplier, cooperative electric utility,
25 electric utility, or municipal utility. The surcharge shall be
26 payable by all customer classes. The Commission shall set the

1 surcharge at a level sufficient to pay the costs of electricity
2 purchased under subsection (c) of this Section and any
3 interconnection costs under subsection (b) of this Section.

4 (e) The Commission shall approve a standard contract to be
5 used in all power purchase agreements under this Act. The
6 contract must include the prices paid for each kilowatt hour
7 generated, the duration of the contract, and any adjustments of
8 those prices for inflation. The Commission shall provide
9 utilities with standard contracts within 3 months of the
10 effective date of this Act.

11 (f) The Commission shall review the rates in subsection (c)
12 of this Section every 2 years and adjust those rates as
13 necessary to account for inflation, assist in the profitable
14 development of eligible electric generators, prevent excessive
15 profits for eligible electric generators, and prevent
16 unnecessary costs to ratepayers. The Commission shall reduce
17 the rates in subsection (c) of this Section to reflect any
18 federal or state subsidies, tax credits, or other incentives
19 that an eligible electric generator is receiving.

20 (g) In each of the first 2 years and every 4 years
21 thereafter, the Commission shall file a report with the
22 Governor and General Assembly that shall include all of the
23 following:

24 (1) The number of new eligible electric generators in
25 this State and the environmental effects of the addition of
26 those generators.

1 (2) Recommendations for legislation and changes to the
2 rates in subsection (c) of this Section, if any.

3 (3) Actions taken by the Commission to implement this
4 Act.

5 (h) Eligible electric generators shall, upon request,
6 provide to the Commission any information that may be relevant
7 to the Commission performing its duties under this Act.

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.